



***2006 National Community
Policing Conference
Identity Theft: Investigation
and Prevention Tools***

July 27, 2006

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IDT Surveys - FTC 2003/Javelin 2006

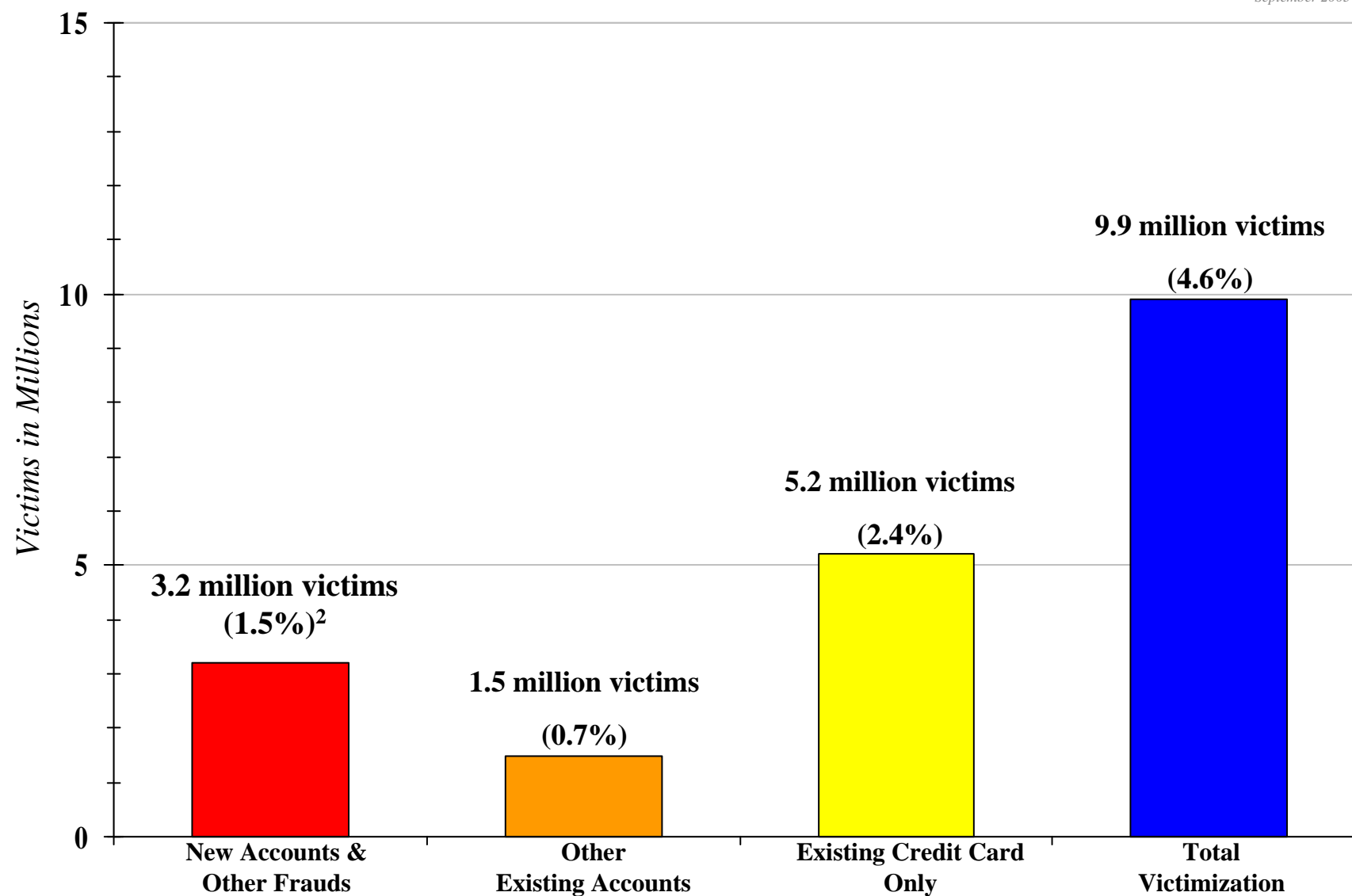
Annual Rates & Cost of Identity Fraud

	Mean cost per fraud victim	Fraud victims as percent of US adult population	US adult victims of identity fraud	Total one year fraud of cost
2003 Survey	\$5,072	4.7%	10.1 Million	\$51.4 Billion
2006 Survey	\$6,383	4.0%	8.9 Million	\$56.6 Billion

Magnitude of Identity Theft 03/02 – 03/03¹



Federal Trade Commission
September 2003



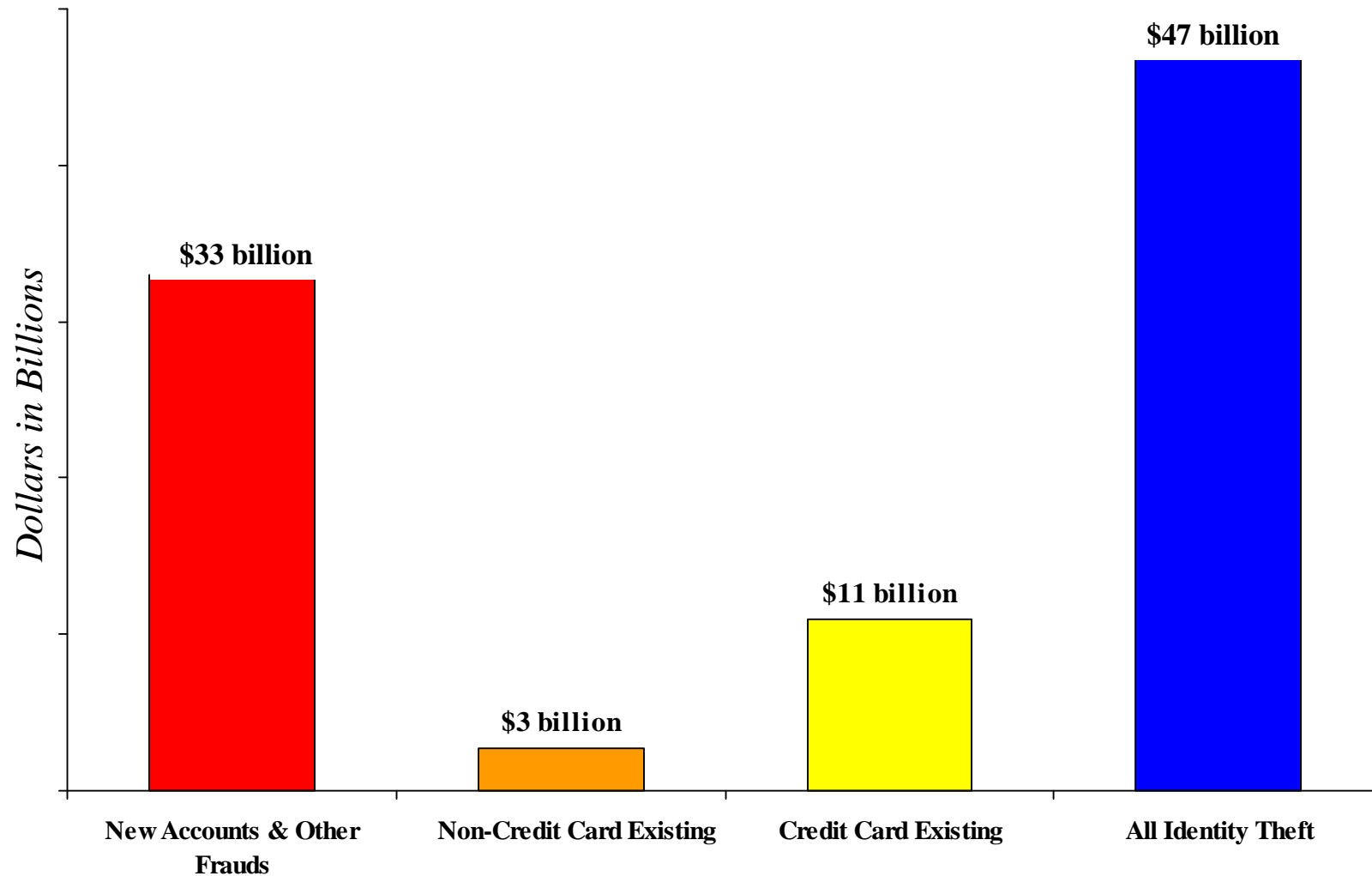
¹Source: Identity Theft Survey Report conducted by Synovate for the FTC (March-April 2003).

²Based on the U.S. population age 18 and over (215.47 million) as of July 1, 2002 (Source: Population Division, U.S. Census Bureau; Table NA-EST2002-ASRO-01).

Victim's Estimate of \$ Amount Thief Obtained from Identity Theft 03/02 – 03/03¹



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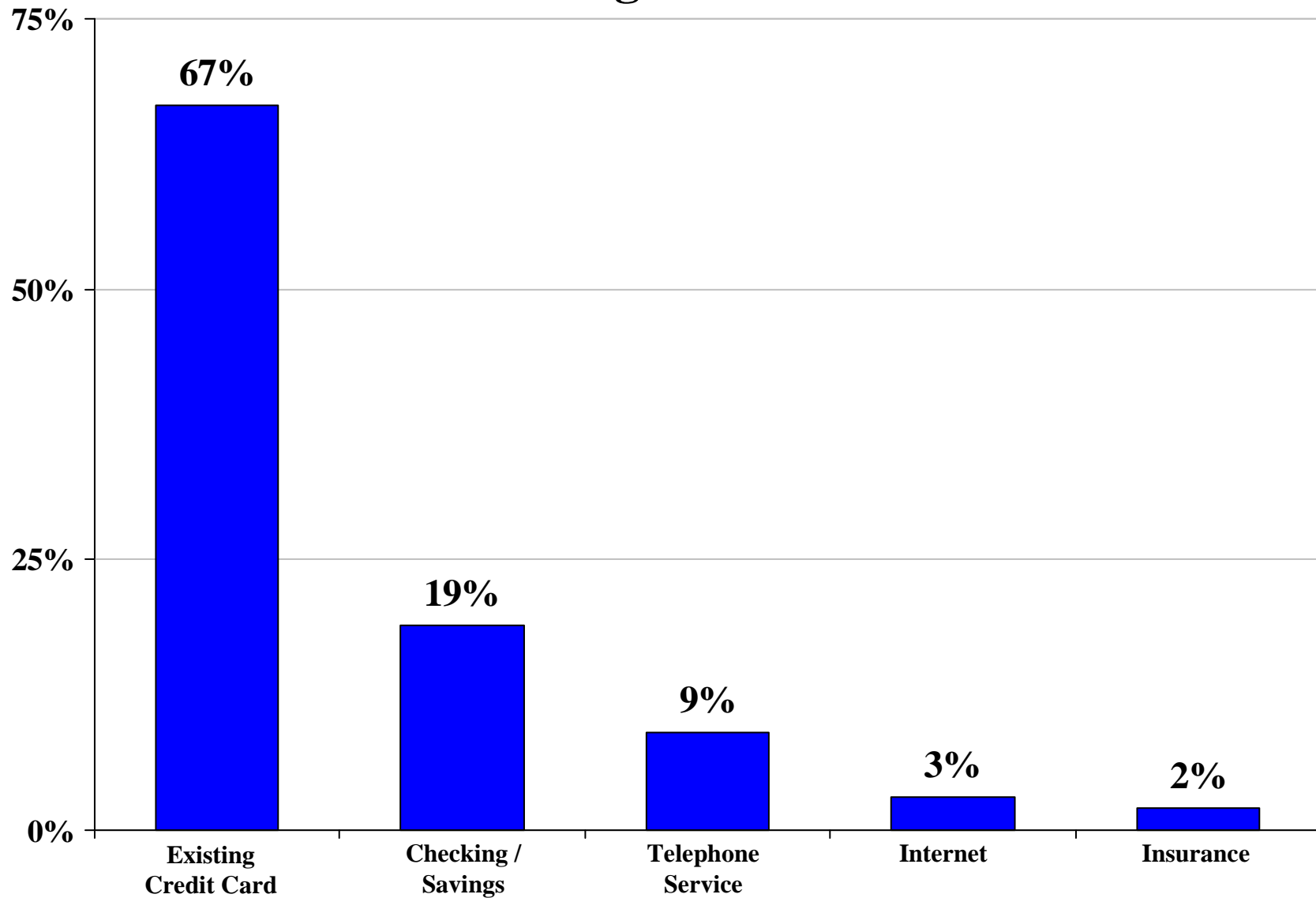


¹Source: Identity Theft Survey Report (Table 2, page 7) conducted by Synovate for the FTC (March-April 2003).



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Survey: Type of Accounts Misused: Existing Accounts¹

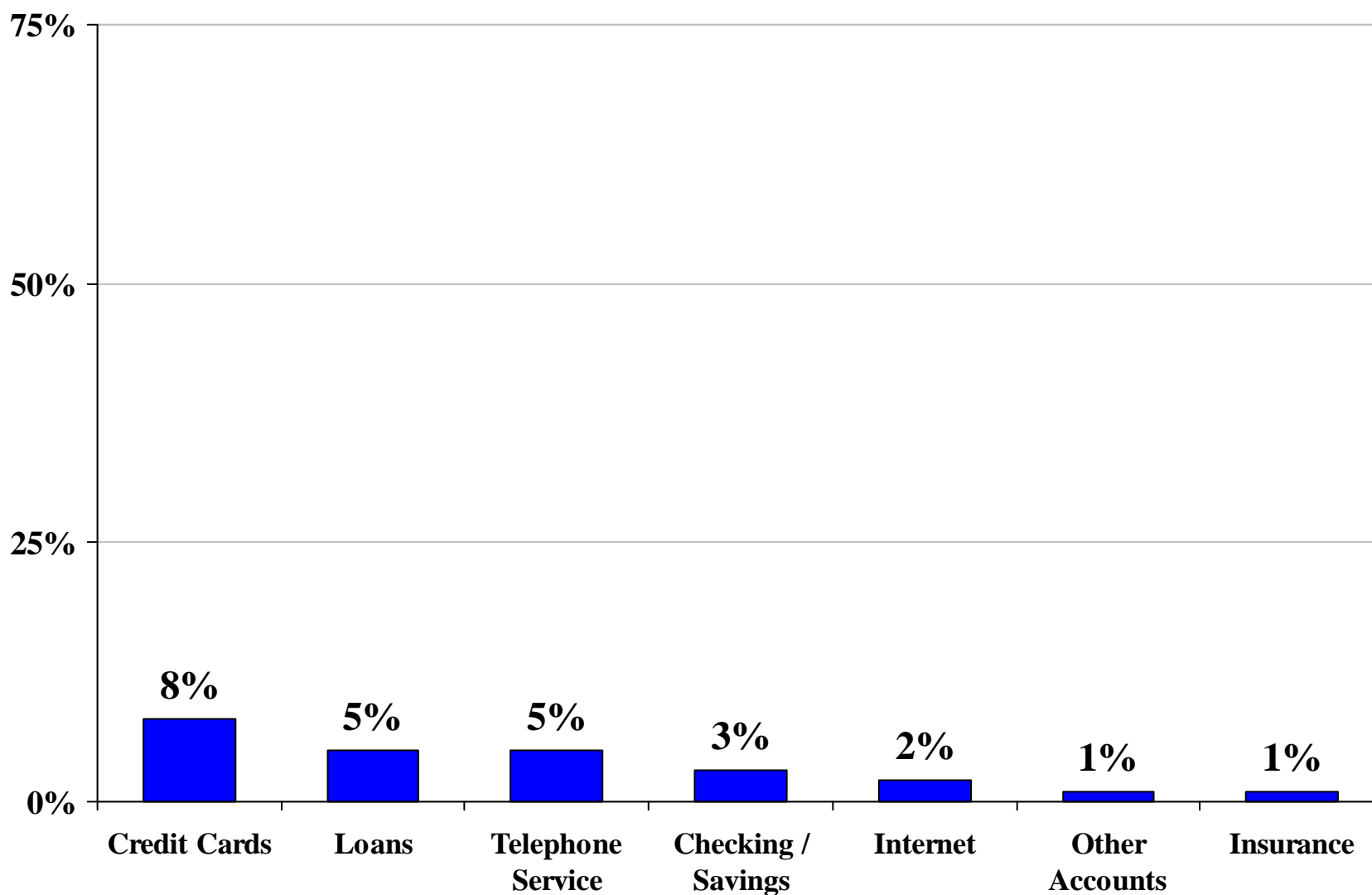


¹Source: Identity Theft Survey Report conducted by Synovate for the FTC (March-April 2003). Percentages based on respondents who indicated they had been the victim of identity theft within the past five years.



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Survey: Type of Accounts Misused: New Accounts¹

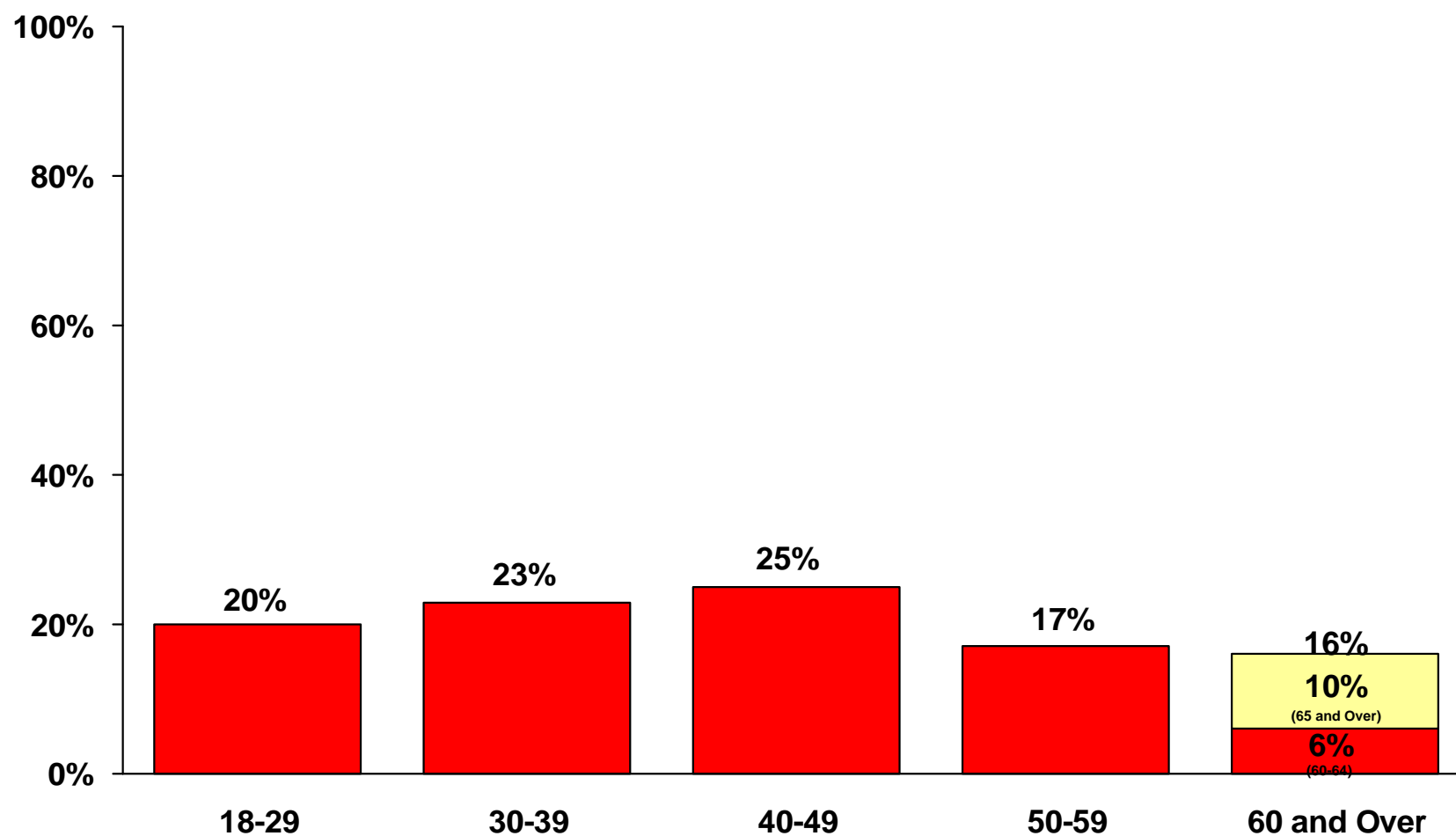


¹Source: Identity Theft Survey Report conducted by Synovate for the FTC (March-April 2003). Percentages based on respondents who indicated they had been the victim of identity theft within the past five years.



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2003 Survey: ID Theft Victims by Age¹



¹Source: Identity Theft Survey Report conducted by Synovate for the FTC (March-April 2003).

Top 5 Consumer Tips for Preventing ID Theft

- Inspect Your Credit Report (Free Annually)
 - www.AnnualCreditReport.com or 1-877-322-8228
- Review your financial statements – online or monthly mailing
- Don't give out personal information on phone, mail or Internet, unless you know who you are dealing with

Top 5 Consumer Tips for Preventing ID Theft

- Be alert to signs:
 - Bills that do not arrive as expected
 - Receiving unexpected credit cards, statements, or merchandise
 - Denials of credit for no apparent reason
 - Calls or letters about purchases you did not make
- Never click on links in unsolicited emails
- Get Deter, Detect, Defend Turnkey Educational Toolkit , visit ftc.gov/idtheft for address

First 5 Steps if People Become Victims of ID Theft

- Contact all 3 CRAs, place initial fraud alerts, order your credit reports (free when place fraud alert), review for inaccurate information
- Contact all companies where you believe identity theft committed in your name, close accounts or change numbers or PINs
- Contact Federal Trade Commission, fill out Online Complaint Form - in October 2006, people will be able to print out an Affidavit with all complaint information

First 5 Steps if People Become Victims of ID Theft

- Contact local police, bring them completed Affidavit and as much supporting documentation as possible, obtain police report incorporating Affidavit or as much detail as possible
- Send CRAs and all companies where identity theft committed an “Identity Theft Report” and request CRAs to Block negative information; companies to provide you closure letters; no sale of debt or collection attempts

Common Challenges in Identity Theft Cases

- Victims dispersed over many jurisdictions
- Leads hard to connect
- Thresholds hard to meet
- Costs can be high
- Sentences could be minor
- Computer or accounting forensics may be required

FTC's Identity Theft Program Helps You Fight ID Theft More Effectively

- **Collects Consumer Complaints**
 - Web site: www.consumer.gov/idtheft
 - Toll-free phone number for victims
- **1-877-ID THEFT (438-4338)**
- **Provides Consumer Education Material**
- **Shares Identity Theft Data Clearinghouse**
 - Nation's Central Complaint Database
 - Secure Internet Access



FTC's Identity Theft Data Clearinghouse

- Nationwide Database of Victim Complaint Information: IDT Data Clearinghouse in FTC's CONSUMER SENTINEL Network – FREE!!!!
 - Internet access to victim complaints through a secure website
 - FTC Responds to Inbound Search Requests via “IDTSearch@ftc.gov”

Use the Clearinghouse to:

Initiate New Investigations

- **Find clusters of complaints** w/ similar MO (suspect name, address, phone number)
- **Place Alerts** to notify other officers to contact you
- **Place Autoquery** to get automatic notifications

Grow Ongoing Investigations

- **Find additional victim complaints** on your key data
 - Alerts & Autoquery
- **Find additional defrauded companies**

Let victim know you are doing something:

- **Check database** for additional complaints

How To Sign Up – It's Free!!

- Confidentiality Agreement Signed by Department or Organization Manager
 - At FTC booth
- Submit Agreement and User ID Application by Fax, (202) 326-3392
- Mail Hard Copy to FTC
- Approval in Two - Four Weeks (*Approx.*)

Identity Theft Penalty Enhancement Act

- Creates a new crime of aggravated identity theft
 - Ensures a two-year sentence (for terrorism-related offenses, ensures a five-year sentence) over and above any sentence otherwise applicable in wide range of federal offenses, including fraud
- Prohibits mere possession with intent
 - Statute (18 U.S.C. § 1028(a)(7)) previously covered use or transfer, but not possession

Fair and Accurate Credit Transactions Act Helps Law Enforcement & Victims

§605B Identity Theft (Blocking) Report

§609e Business Record Turnover

§605A Fraud/Active Duty Alert

§628 Proper Disposal of Records

Uses of “Identity Theft Report” for New Victim Rights

- Victim can provide to CRA - if accepted, CRAs must block negative ID theft info from Victim's credit reports,
- CRAs must notify Creditors who gave the information (“Furnishers”)
- Creditors then cannot *refurnish* that info to CRAs, or sell the debt
- Victims send to Furnisher to prevent it from continuing to provide the negative information to CRAs

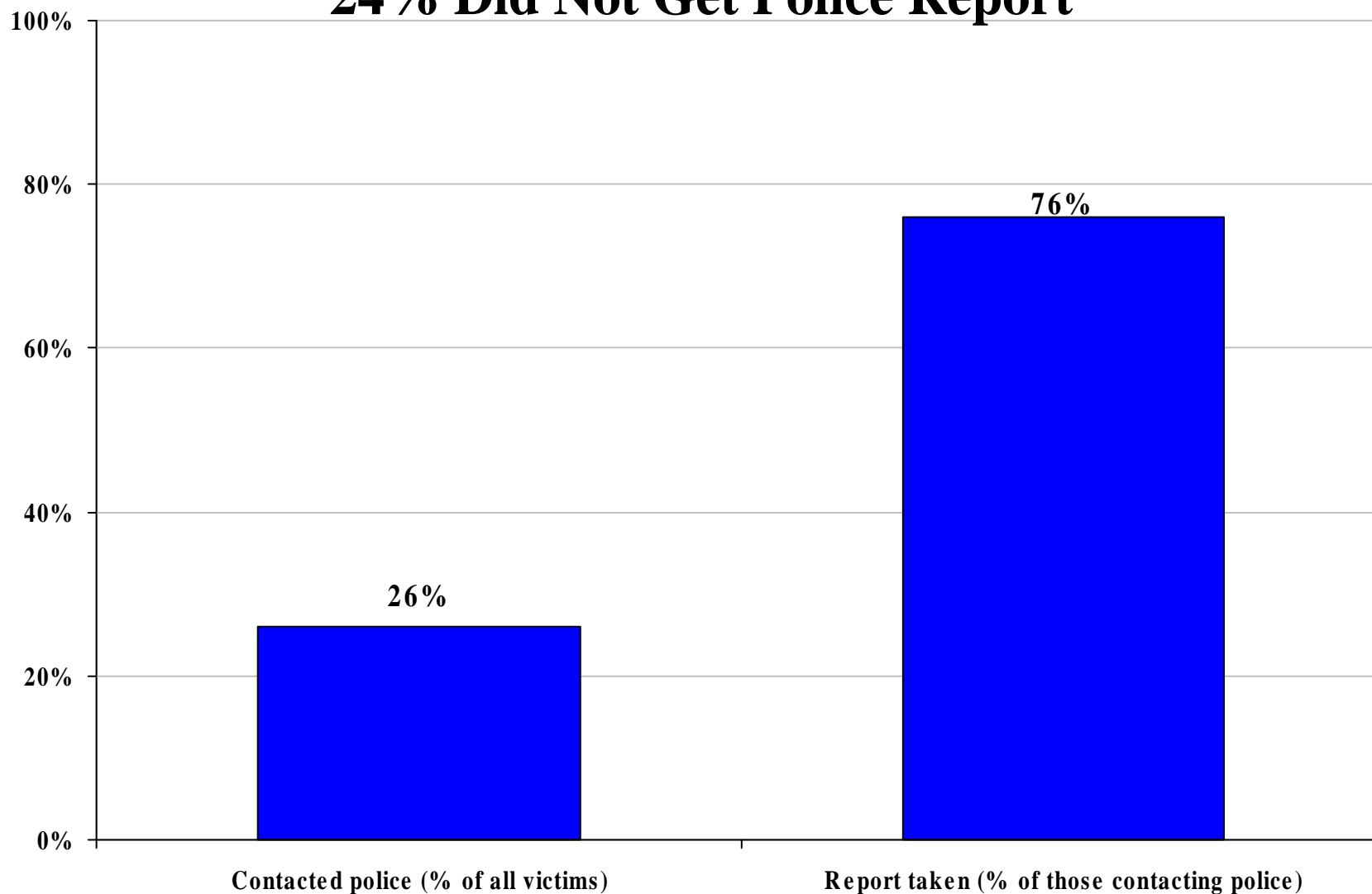
Definition of “Identity Theft Report”

- Official law enforcement report - alleges Identity Theft - subjects false filer to criminal penalties
- Requires consumers to allege the id theft with as much specificity as possible, *e.g.*
 - Dates relating to when theft, misuse occurred
 - Information about perpetrator, accounts
 - Information about circumstances of the theft
- CRAs & Furnishers can ask for additional information when reasonable to verify allegation



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26% Reported to Police – 24% Did Not Get Police Report



¹ Source: Identity Theft Survey Report (p. 59) conducted by Synovate for the FTC (March-April 2003).

**Law Enforcement: Give the
Consumer what they need for an
“Identity Theft Report”**

- *Take a Police Report**
- *Give Copy to Consumer**
- *Attach ID Theft Affidavit for
Added Specificity**

FACTA *Investigation* Tool for Law Enforcement

Business Record Turnover

(§ 609e)

Businesses must provide account and application information to victims or their authorized law enforcement agent w/o subpoena

- Victim may need to give proof of ID, police report
- Effective as of June 2, 2004.
- Non-compliance? Report to 609e@ftc.gov

FACTA Business Responsibilities to Prevent ID Theft

Fraud/Active Duty Alert creates

“Credit Report User” Requirement

- ? Fraud alerts tell potential creditors that someone else is using that person's identification to commit fraud
- ? Potential creditor (“User”) must verify applicants identity or contact consumer before issuing new credit if there is a fraud alert on the credit report

FACTA Requires Proper Disposal of Consumer Information

Business required to protect against unauthorized access to any personal information when they dispose of records.

- ❖ Burning, pulverizing, shredding paper documents
- ❖ Erasure of electronic media
- ❖ Monitor contracted disposal companies
- ❖ Intervene or report violations you see to idtsearch@ftc.gov